



SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY

3500 Industrial Blvd.
West Sacramento, CA 95691
<http://www.deltaconservancy.ca.gov>

Consideration of Delta Conservancy Budget Report

Requested Action: Inform the Board on the Delta Conservancy's Budget for Fiscal Years (FY) 2010-11 and 2011-12.

Summary

This report provides an overview of the budget and estimated expenditures for the Delta Conservancy for FYs 2010-2011 and 2011-2012. Information provided below includes: major categories of expenditures, estimated reductions and available resources per fiscal year.

Background

This report is based on the 2010 Budget Act approved baseline budget for the Delta Conservancy of \$1,329,000 for FY 2010-2011. At this time it is assumed the baseline budget for FY 2011-2012 will remain \$1,329,000. Table 1 is based on the Budget Act and approved baseline budget for the Conservancy. It includes the major categories of expenditures and dollar amounts with Department of Finance's (DOF) adjustments for personal services (salaries, benefits).

Table1. Delta Conservancy's budget per Budget Act for FYs 2011 and 2012 with DOF's calculated adjustments (dollars in thousands).

	Totals	Totals
	FY 2010-11	FY 2011-12
Approved Budget	1,329	1329
Total reductions	(-55)	(-30)
Total Available Budget	1,274	1,299
Total Personal Services (w/adjustments)¹	701	698
Operating Expenses & Equipment	101	101
Reimbursements	472	500

1. Includes salaries, salary savings (5% and collective bargaining adjustments) and staff benefits at 32%.

Table 2 also summarizes the major categories of expenditures for FYs 2011 and 2012. Estimates in this table; 1) reflect actual staff salary and benefits costs; 2) provide more accurate operating costs, and; 3) provide dollar amount for salary savings due to vacancies.

Table 2. Delta Conservancy's budget for FYs 2011 and 2012 with salary savings from vacant positions (dollars in thousands).

	Totals	Totals
	FY 2010-11	FY 2011-12
Approved Budget	1,329	1329
Total reductions	(-55)	(-30)
Total Available Budget	1,274	1,299
Personal Services (w/adjustments)¹	460	612
Operating Expenses & Equipment	131	111
Contracts	76	76
Reimbursements	472	500
Savings from vacancies	135	0

These estimates have been updated since the November 3, 2010 staff report to the Conservancy Board and after discussions with DOF. Per DOF, the Conservancy has a target reduction for personal services of \$40,000 annually. Obvious means for meeting this target include vacancies or part-time employees. This issue warrants further discussion by the Board, possibly at the January 2011 board meeting. Though vacancies will allow us to meet our target this fiscal year, a note of caution is needed for future years. If a position is left vacant for longer than six months, a state agency risks losing the position permanently and it would still be required to meet a mandated budgetary reduction annually. In addition, DOF anticipates further reductions to all state agency budgets for Operating Expenses and Equipment (OE&E) and Information Technology expenditure categories. DOF is currently calculating these additional reductions for the agencies.

With the information from DOF, Conservancy staff will begin to develop estimates for a Spring Finance letter that will be due to DOF by mid-February 2011. Estimates are needed for;

- annual operating costs starting in FY 2011-12;
- completing the strategic plan;
- early implementation of high-priority actions identified in the strategic plan.

To ensure the accuracy of all costs estimates associated with Conservancy activities, staff will work closely with the control agencies (i.e. Natural Resources Agency, Department of Finance and Department of General Services) in receiving and reviewing

expenditure reports. Due to the late date at which the State's budget was signed, expenditure reports from the control agencies may not be available until December 2010 or January 2011. After these reports are available, staff will again review all program elements and provide updates to the Board.

Contact

Cindy Messer
Interim Executive Officer
(916) 375-2090